(MR. SPEAKER.)

Govinda Reddy, I will give my ruling in the afternoon soon after we assemble after lunch.

BUSINESS OF THE HOUSE.

Sri J. Mohamed Imam (Jagalur).—What about the programme for future Session ?

Mr. SPEAKER.—I will consult the Leader of the House and the Leader of the opposition Party and announce it if possible this afternoon or tomorrow.

INCORRECT REPORT IN A LOCAL DAILY PAPER.

Sri MULKA GOVINDA REDDY (Chitaldurg).—I would like to draw the attention of the Speaker to a report published in the Indian Express which states that the Mysore Legislative Assembly today unanimously adopted a Special Resolution appealing to the Parliament and the Government of India not to reopen the settled question of Bellary Taluk. This Andhra Bill has not been moved in this House and this report is misleading and mischievous. I would therefore request the Speaker to take such action as is necessary.

Mr. SPEAKER.—Instead of saying 'Legislative Council' they have printed wrongly. That is what I guess. Anyhow, I will go through it.

PAPERS LAID ON THE TABLE.

ANNUAL REPORT OF THE MYSORE PUBLIC SERVICE COMMISSION FOR 1951-52.

Sri KADIDAL MANJAPPA (Minister for Revenue and Public Works).—As required by clause (2) of article 323 of the Constitution of India, I lay on the Table the Annual Report of the Mysore Public Service Commission for the year 1951-52 with a Memorandum from the Government.

MYSORE APPROPRIATION (No. 3) BILL, 1953.

Introduction.

Sri K. HANUMANTHAIYA (Chief Minister).—I beg to introduce the Mysore Appropriation (No 3) Bill, 1953, which was published in the *Mysore Gazette* Extraordinary dated 17th July 1953 under rule 48 of the Rules of Procedure and Conduct of Business in the Mysore Legislative Assembly.

Motion to consider.

Sri K. HANUMANTHAIYA.—I beg to move :

"That the Mysore Appropriation (No. 3) Bill, 1953, be taken into consideration."

Mr. SPEAKER.—Motion moved :

" That the Mysore Appropriation (No. 3) Bill, 1953, be taken into consideration."

*Sri J. MOHAMED IMAM (Jagalur).—We had no occasion to apply our minds to some of the demands which are charged items on the consolidated fund of the State. We have expressed our opinion regarding such items as are subjected to the voting of this House. Now the net result of all this is that we are asked to vote a sum of nearly Rs. 96 lakhs which will be an extra expenditure and drain on the finances of the State. We have impressed on the Government the necessity of effecting retrenchment in all branches of the department and even last time at the Budget Session, myself and my friend Sri Pattabhiraman were very particular that a Committee should be appointed to go through the various departments and suggest measures for bringing down the expenditure and the Chief Minister was pleased to state at that time that he would consider this seriously and till now we find that no steps have been taken.

Another point I want to urge is this: We are asked for an increased expenditure of Rs. 96 lakhs excluding adjustable items and it was open te them to include all these items at tho time of the budget discussion and at the time when the main demands were

put before this House. It is stated in some places that these items of expenditure could not be anticipated, but there are some items of expenditure which could be anticipated and which could have been included at the time of the regular Budget. Why I am pleading is if these demands come late before this House, the whole budgetary position will be upset and the whole equilibrium will be upset. So regarding these discussions I will not go further. I want to remind the Finance Minister who is also the Chief Minister about our request during the last Budget Session to appoint a committee to go through all the finances of the State and send to Government necessary recommendations. I hope the Chief Minister will take action.

Secondly, I have stated my views regarding the new loan. Yesterday I stated that myself and the members of this party would extend co-operation for the raising of this loan and I feel it is our duty to extend our co-operation. When I read in the newspapers that the Government of Mysore have floated a loan, I thought within myself that this ought to have been done earlier. Anyhow, I felt that they had taken this step because, for the implementation of the Five-Year Plan, it is provided there that some items have to be met through loan. But I was rather surprised to find that the response is not quite adequate. I think for this I must hold not only the Government of Mysore but also the Government of India responsible. The Government of Mysore had floated loans previously and the response was ready and spontaneous and now I am wondering what may be the reason for this. Without going into other details I must point out some of the omissions and commissions on the part of the Government of Mysore in not taking adequate and necessary steps.

Sri K. HANUMANTHAIYA.—I may state that if he goes on in this fashion it would not be in the interests of the country; it is not that I am afraid of the criticisms that are likely to be levelled against me. The introductory remarks he has already made are proof of the trend that is likely to be pursued.

Sri J. MOHAMED IMAM.—I am putting the utmost restraint on myself.

Sri K. HANUMANTHAIYA.—He may omit all references to the loan and after the closing date he can bring forward any charges which he wants to put up and the Government will be in a position to reply.

Sri J. MOHAMED IMAM.—I know when to meet the points. Unless I am contradicting rules or anything.....

Sri K. HANUMANTHAIYA.—I am merely making a suggestion.

Sri M. V. RAMA RAO (Tumkur).—May I make a suggestion ? The closing date for this loan as far as I am aware is tomorrow. This House is probably sitting till Monday as was announced by you a while ago. Would it not be proper to hold over the debate on the Appropriation Bill in order to enable the Hon'ble Members of this House to make their observations regarding the loan policy of the Government, instead of precluding such discussion or reference to the loan in the course of observations made during this debate because the closing date for the loan is tomorrow and we are taking up this matter to-day ?

Mr. SPEAKER.—The main difficulty is, the Legislative Council will close its sittings on the 23rd. Official Bills, particularly the Appropriation Bill, are to be sent up there and are to be discussed and passed. That is the difficulty.

Sri J. MOHAMED IMAM.—What I wanted to submit is this. The Government of Mysore ought to have taken necessary steps for the floating of this loan. In the first place, I am sure Mysore enjoys immense credit. We are supported by enough of credit and enough of assets. As stated by the Hon'ble Minister yesterday, mostly Madras, Bombay and other States contribute to our loan. I think it was inappropriate to have floated our loan at the time when other States floated their loans. I am stating specifically that our State has got immense credit and ample assets, but they must know when to float the loans and on what occasions. Now this loan came at the time when all the other States floated

(Sri J. MOHAMED IMAM.)

loans. That was a big handicap and that is why I said the time was not quite opportune when all the other States floated their own loans and that is perhaps one of the reasons why the response was poor. Now I understand that the loans have been fully subscribed in Madras and Bombay, and, taking in to consideration the assets and the credit of Mysore, I am sure people there who are anxious to invest in some securities will take advantage of this opportunity and will contribute to the loan floated by this State.

Another thing is this. I think there is not sufficient publicity also for this loan. Beyond a comprehensive statement of the advertisement of the other States, there was no individual advertisement regarding the State of Mysore. If I remember correctly, no local paper advertised the fact that Mysore Government is going to float this loan and if it is not too late, the Government of Mysore must take necessary steps to advertise the fact that they are going to raise a loan and also see that there are necessary agencies and do other things for the realisation of their object. I understand that in this connection the Chief Minister of Madras toured from place to place and taluk to taluk for this purpose. I wish the Chief Minister had done a similar thing. Apart from this, I am quite confident that the loan will be subscribed fully, but what I am worried about is this. We must know definitely how the loan should be spent and for what purpose it is to be earmarked. I have got the interests of the State at heart and I am not going to enter in to further controversy, but I am perfectly entitled to know, when the loan is realised, how it should be spent and how it should be applied. We had taken previously from the Government of India a loan of Rs. 3 or 4 crores, but we find that loan has not fully been utilised for capital works or productive works; a good portion of it, I must say, has been spent on such works that it would not in any way conduce to the material well-being or advancement of the State. In answer to a question tabled by Sri H. S. Rudrappa, it is said that out of Rs. 2 crores advanced by the Government of India, nearly Rs. 1,41,00,000 has been spent on the Grow More Food campaign.

Sri K. HANUMANTHAIYA.—That is why you have enough food to-day in the country.

Sri J. MOHAMED IMAM.—My district has been starving. There is at least some starvation in my district. They are depending on herbs and weeds as I said the other day. Do not be under a false delusion that we have enough of food. The country has not enough of food and it is quite necessary in that direction that we do take major irrigation works in order to make the country self-sufficient. Whatever loan you raise, instead of spending it on idealogical schemes such as Vanamohatsava, you should spend it on productive works. You have taken up the construction of a big building at the cost of nearly Rs. one crore.....it may be a good building. Some of us doubt whether a portion of the loan would be diverted towards such schemes. A loan is always raised for a specific purpose and that loan must all be utilised on some productive work or on some capital work and when you realise this loan of Rs. 3 crores, I request you to earmark it on some major irrigation work or productive work. We have got two important works which must be completed in any case within a decade. There is the Bhadra reservoir and secondly Honnemaradu project. Both these projects are quite essential and if these do not materialise and if these are not completed in time, then I say the country will be short of power and our food problem will never be solved.

Recently I had been to Bellary and I had an occasion to visit Tungabhadra project. It is almost complete. They have stored water which covers an area of more than 100 square miles. The Tungabhadra and Lakkavalli projects took root at the same time. The Government of Mysore and the Government of Madras came to an agreement and both of them sanctioned the scheme at the same time. But whereas Madras and Hyderabad Governments have almost completed Tungabhadra Project, even the foundation work of Lakkavalli Project has not yet been

completed by the Government of Mysore; only about one-third of the foundation work is over. I think it must be a great lesson to us; when one State could finish one scheme or project within the course of six years, the State of Mysore has not yet been able even to lay the foundation-stone for the Bhadra reservoir scheme, though six years have elapsed.

1-30 P.M.

In spite of ample resources, this is the result. Whatever may be the present position, I am anxious that whatever amount you collect for the loan, that should be earmarked either for the Bhadra project or for Honnemaradu Project, which are the two urgent schemes to be completed if Mysore has to prosper and progress. You are depending on the Government of India for grants. You have been telling through the Press and Papers that the Government of India would come to our relief in the construction of the Lakkavalli Reservoir. We have been given hopes that have not materialised. We are not sure of what you say because that has not been included in the first Five-Year Plan, nor have they given us any assurance to include it in the next Five-Year Plan, nor in the supplementary plan. I say that Mysore can stand on its own legs. We carried on big irrigation works like the Krishnarajasagar, Sivasamudram and Jog. For the construction of all these, we stood on our own resources. If you assure the public, if you give an undertaking that all the amount will be invested on productive works, I think there will be a very good response and in this we will all co-operate.

I am not discouraged by the lack of response to the loan so far. People will see the soundness of the State and contribute. We have floated for a loan of three crores of rupees. I wish we had fixed a higher sum. Three crores are very insufficient. We ought to approach the Government of India for a loan of five crores. Here again, there is another obstacle. Previously, the Government of Mysore was in dependent and competent to raise its own loan at any time on any conditions. But now we are handicapped even to raise a loan of one crore of rupees. The permission of the Centre is required. That is why I think we are in such a predicament. Apart from the aid that they have given to the States, I wish that the Government of India gives a little more discretion to the States to raise the amounts wanted.

I wish that our loan amount may be raised by one more crore at least, so that that amount may be utilised for the construction of those works which we have in view, though not fully, at least to an appreciable extent.

I do not want to say anything more. With the Hon'ble the Chief Minister, I feel that this is a very important subject. I am also anxious to maintain the fair name of the State. Whatever might have happened, I believe that Mysore State has still enough of credit. I am sure that the loan will be subscribed spontaneously as was being done in the past. My only appeal to the Ministry is, let the amount collected be utilised on necessary and urgent works instead of being diverted towards Grow More Food Schemes, Samskrit Prachara and such other idealogical schemes.

Sri M. V. RAMA RAO.—Sir, it was suggested that during the course of this debate on the Appropriation Bill, references to the loan that is being sought by this Government should be avoided as far as possible. That, I think, was what the Chief Minister, who holds the portfolio of Finance, said.

Sri K. HANUMANTHAIYA.—No. Let me explain. I never said that no reference must be made to this loan. The discussion must be such as to see that the interests of the State do not suffer by any criticism that we may make under the circumstances.

Sri M. V. RAMA RAO.—Sir, the clarification made by the Hon'ble the Chief Minister has come in good time, because it seems to be supposed that the criticism of the loan policy of the Government is likely to be such as to adversely affect the response to the loan. I should like to assure him that it cannot be the intention of any Member of this House to make criticism which would redound on the State and cause any damage, however slight, to

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the credit and reputation which the State has been enjoying for at least a century. I propose to make my observations principally in regard to this loan and certain features connected with the announcement of this loan which to my mind seem to explain this slow response, if I may say so, that is being reported to our loan floated.

Sri L. SIDDAPPA (Channagiri).—Is it not necessary that we should avoid reference to matters of the loan, because the loan date has not yet expired ?

Sri M. V. RAMA RAO.—That is why I suggested that unless the intention was to preclude any discussion of the loan policy, this Bill might appropriately be taken up on a later date. Then he was pleased to point out that since the Upper House is likely to rise and this Bill has got to be passed in the Upper House, it is necessary that we should not delay.

Sri MULKA GOVINDA REDDY (Chitaldrug).—As this is a financial measure, I think there is no need for this Bill to go to the Upper House. Is it not so, Sir ?

Mr. SPEAKER.—Not for voting purposes.

Sri M. V. RAMA RAO.—Sir, I do not agree with the very apprehensive expressions of opinion made by the Leader of the Opposition as well as by my friend Sri Siddappa, that any discussion of what I consider to be unsatisfactory features with regard to this loan is likely to have any adverse effect on the response to this loan. After all it is not on my opinion but on what the Government does that the response to this loan will really depend. It depends, as the Chief Minister is very well aware, upon factors over which a Member like me will have no control. It is common knowledge that the bulk of the money that used to come in response to the loans floated by this Government used to come from Madras, Bombay and other important places. It happens that this time our loan has synchronised with the floating of loans by States like Bombay and Madras, on similar terms more or less. Everybody is aware that the money market is tight and investment scared of Government securities on account of the policies of the Central Government and, besides, the requirements to finance the Five-Year Plan for which the Central Government has its own schemes of absorbing surplus money that is available in the country. These are the factors that really determine the measure of response to our loan. It is not as if, so far as I am aware, all our loans used to be subscribed to by people of our own State. It may be that between twenty and thirty per cent of our loan was being subscribed to by people residing in Mysore. This being so, it is just possible that the investors in Bombay and Madras and such other places have put their money on other State Loans which have also been floated at the same time as our loan. And I am sure that on this occasion we owe it not only to ourselves and to our State but also to the State of Madras, to make a public acknowledgment of our thankfulness to the Chief Minister of Madras, Sri C. Rajagopalachari, for the appeal which he has issued to the public of Madras to make over such surplus moneys as they are desirous of investing to the Mysore State Loan.

Sri MULKA GOVINDA REDDY.—Is it not pitiable ?

Sri M. V. RAMA RAO.—Certainly not. I may assure my friend Sri Mulka Govinda Reddy that far from being a pitiable situation, as he seems to think it is, it really is a very remarkable instance of inter-State co-operation, at least in South India. He must realise that there is not, in fact, any conflict of interest either in the sphere of finance or in the sphere of politics, much less in the sphere of administration, among the different States that exist in South India. If as a result of the appeal made by Sri Rajagopalachari more response is flowing into the Mysore State Loan, what does he think it proves ? Does it prove that the investors with lots of money in their hands have only been so foolish as to invest in the Mysore State Loan just because the Chief Minister of Madras asked them, although according to Sri Mulka Govinda Reddy's opinion, the State Loan ought not to be subscribed to ?

Sri MULKA GOVINDA REDDY.—It is not like that.

Sri M. V. RAMA RAO.—What he seems to have in mind is, without a recommendation—that is probably what he has in mind—from the Chief Minister of Madras, we have not been able to absorb more money. Whatever may be the opinion which my friend Sri Mulka Govinda Reddy holds on this subject, my observations really do not have any connection with that particular aspect of it. What I wanted to say was that while response has been slow, there is hardly any reason to feel pessimistic about it or to feel that the credit of Mysore State has been affected. I do not think it really raises the question of credit. What it raises is the question of the actual economic condition of the people in the country including Mysore State. That is the real question that it does raise.

Sir, I understand that in spite of the other two loans having been very readily subscribed to by the investing public, the subscription that used to flow from institutions like Insurance Companies to our loan has either not come in or has come in such small measure as to be very disappointing. To my personal knowledge, it seems to be the argument irrefutably put forward by the Insurance Companies that no notification by the Government of India has been made including the Mysore State Four Per Cent Loan as an Approved Security in the List of Approved Securities so as to enable the Insurance Companies to invest insurance funds in this particular loan. If that is a fact, I think, even now, within the two days available to us, if such a thing has not been done and has to be done, some attention should be given to it.

A friend who knows more about these financial matters than I can claim to, told me that the fact that the Reserve Bank acts as the sole agent for these loans and that the flotation of these loans has been sanctioned by the Central Government ought to be sufficient for Insurance Companies to regard this loan as an Approved Security and make their contribution to it. Sir, whatever may be the position, I think something more has yet to be done to enable these Insurance Companies who seem to be willing to invest their money but who seem to have some difficulty in doing so by reason of this particular notification declaring this State Loan to be an Approved Security not having been yet made to do so. The second point about this loan which occurred to me was with regard to our old loan carrying interest at 4 percent income-tax free being redeemable presently. Evidently some mistake has occurred somewhere and probably at the Press Conference at which the Hon'ble The Finance Minister explained the features pertaining to this loan, the investing public or their representatives who happened to be present there do not seem to have quite understood him when he said that the redemption of the old loan carrying 4 per cent interest income-tax free was engaging the earnest consideration of the Government. I am sure the Finance Minister must have meant that the Government would redeem the loan on the due date. That I think, is precisely what he meant. I do not know what words he used because I was not present. It seems to me that some people at least have gone away with the impression that this loan is not going to be redeemed presently and therefore they seem to have been thinking that if they can get 4 per cent interest free of income-tax on a loan which is not going to be redeemed presently but will continue for a period of years, they are not really called upon to put their money on an investment carrying 4 per cent interest not free of income-tax. That, I think, is a common-sense point of view and I for myself can find no fault with people who have any reason to act along those lines.

The third thing I wanted to say about the loan was this: I understand that the Reserve Bank are acting as the sole agent for these loans in the sense that there are no under-writers such as we used to have when loans used to be floated previously. Now, it is understandable how if there was a private broker he would be interested in contacting people all over the country and getting the subscriptions very readily so that he could cash in and

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draw a brokerage commission. That is quite understandable. If it is true that under the terms according to which this loan has been floated no private brokers could be employed then, I think, what has happened was really unavoidable. If we are not to employ broker-nor to pay a small brokerage commission of 2 annas per cent on anythins that is done in a commercial transaction of this kind, I suppose we have bargained for it. Since the response is slow and we have to be assured that before the last date for the loan is over, our expectations will be fulfilled. Sir, with regard to certain observations which the Leader of the Opposition made as to how the loan should be used and respecting the Lakkavalli Project and the Honnemaradu Project, I really felt that they were not deserved. My friend Sri Mohamed Imam seems to think that the Government of Mysore have not taken sufficient pains to obtain the necessary financial assistance to go forward with the important projects on hand at a satisfactory speed. As far as I am aware of Governmental effort, I should like to assure Sri Mohamed Imam that there has been no lack of effort on the part of Government, nor any lack of assistance forthcoming from the Central Government on all proper and appropriate occasions.

Sri L. SIDDAPPA – I question both. The taste of the pudding lies in its eating.

Sri M. V. RAMA RAO.—It depends upon what size of pudding Sri L. Siddappa can contsume. Probably he can take in a larger pudding than most of us could. If we expect the Central Government to finance all our schemes and keep on asking to give us so many crores of rupees every year, many people may regard it quite reasonable...

Sri J. MOHAMED IMAM.—Have the Central Government so far financed any single scheme in the State of Mysore apart from other grants? I would seek information from the Member whether the Government of India have taken up any single scheme in the State of Mysore.

Sri M. V. RAMA RAO.—I should not like to arrogate to myself the duties of the Hon'ble the Finance Minister who in proper time will make the answer to my Hon'ble friend Sri Mohamed Imam, What I was saying was that this is not the way of getting assistance from the Central Government, the way in which Sri Mohamed Imam makes his observations. We cannot go and have a fling at the Central Government and then ask for Central assistance. I say you must deserve the loan.

Sri L. SIDDAPPA.—As a matter of right, we ask for the loan.

Sri M. V. RAMA RAO.—It is easy to talk about rights, but it is well to remember duties.

Sri MULKA GOVINDA REDDY.—Your Chief Minister has himself said about it.

Sri M. V. RAMA RAO.—He is not only my Chief Minister, but he is Sri Mulka Govinda Reddy's Chief Minister also, and the sooner he realises that the is his Chief Minister whom he has got to oppose, the better for him.

Sri MULKA GOVINDA REDDY.—He belongs to your Party!

Sri M. V. RAMA RAO.—We are proud of the party to which he belongs and I belong. We are all proud of the party. There is no doubt about that. Sir, Central assistance, I must say, is a thing which can be obtained only by presenting schemes which on examination should satisfy the Central Government which has to give the financial assistance. It may be argued that we have not been able to get any financial assistance for our big schemes. May I point out to Sri Mohamed Imam that by the incoming of six taluks of Bellary into Mysore State, instead of getting financial assistance, you are getting a ready-made project to Mysore State under which a considerable extent of land is going to be irrigated and which will form part of the irrigated land in the Mysore State after 1st of October 1953.

Sri MULKA GOVINDA REDDY.—At a liability of Rs. 30 lakhs!

Sri M. V. RAMA RAO.—You cannot have everything free. Sri Mulka Govinda Reddy seems to believe in getting everything free.

Sri J. MOHAMED IMAM.—Even for Tungabhadra Project, the Government

of India did not give any assistance. It was done through the resources of the Governments of Madras and Hyderabad. The Centre has not come forward with any financial aid.

Sri M. V. RAMA RAO.—Why do they want financial aid from the Centre? I really do not understand Sri Mohamed Imam's point of view.

Sri J. MOHAMED IMAM.—Because Mysore pays to the exchequer of the Government of India nearly Rs. 10 crores. That is why I ask financial assistance as a matter of right.

Sri M. V. RAMA RAO.—Why does he not go there and help us to get the loan from the Central Government? I think Sri Mohamed Imam should assist our Finance Minister by joining him in a delegation and get the necessary financial aid from the Government of India. I was saying that it may be true that we have not received any considerable financial assistance from the Centre. We have got a ready-made scheme upon which liability is going to be discharged by other States. What have they got to complain of? Sir, as Disraeli once said, gratitude is a very rare quality. His friends used to taunt Mr. Disraeli upon his aged wife and used to ask him what it was that made him so fond of his old wife. He used to tell them: "My dear fellows! Gratitude. It is a quality which is very rare; she stood by me when I was heavily in debt; she discharged all my debts and enabled me to come into Parliament and make my mark on public life; everybody else passed by but took no notice of me; so I cannot take notice of her old age; it is sheer gratitude that makes me fond of her even in her old age." Like that, we must be grateful for the assistance we have received in whatever measure from the Central Government. The other day the Chief Minister of Madras made an appeal to the investors of Madras to put their money in the Mysore State Loan which is just as good as every one of the loans, in the same manner as every Insurance Company is just as good after the passing of the Insurance Act. With regard to Honnemaradu Project to which Sri Mohamed Imam made a reference, I must say that the amount of assistance which it will be necessary for Mysore to have for implementing that scheme is so considerable that it would be as well for the Government seriously to consider the advisability of proceeding with some other alternative schemes which might fit into the larger Honnemaradu Project, but which might be financed without waiting for Central assistance or sanction-administrative or financial-to the entire Honnemaradu Scheme. A concrete scheme for raising the Hirebasgar dam so as to impound more water and thereby generate more electricity at a very reasonable cost without taxing the resources of the State or driving the State to seek extraordinary assistance is, I am told, engaging the attention of the Government. I would suggest that Government should very seriously consider this question of generating more electricity so as to fulfil not merely internal requirements but the commitments with neighbouring States that have been entered into. This is all I wish to say on the Appropriation Bill.

(Sri MULKA GOVINDA REDDY rose.)

Sri K. HANUMANTHAIYA.—If the Hon'ble Member yields to me, of course he will do, I will reply. I make an appeal to the Hon'ble Member to yield his right to me so that I may reply to the debate and conclude the discussion at this stage.

Sri J. MOHAMED IMAM.—If you are making any statement by way of clarification, certainly, we have no objection and Sri Govinda Reddy will yield; otherwise not. We want some more time to be given for discussion.

Sri K. HANUMANTHAIYA.—When I speak, it means that the debate is closed.

Sri MULKA GOVINDA REDDY.—If the Chief Minister has a statement to make, we have no objection to yield because at the stage of closing the debate, it is better to allow him time.

Sri K. HANUMANTHAIYA.—When I speak, it means closing the debate.

Sri MULKA GOVINDA REDDY.—But I should like to ask the Chief Minister to clarify this point, whether at the instance of the Chief Minister of Mysore, the Chief Minister of Madras

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issued a statement patronising the Mysore Government loan.

Sri K. HANUMANTHAIYA.—I am replying once for all.

Sri MULKA GOVINDA REDDY — I want clarification. Then we will take it for what it is worth.

Sri K HANUMANTHAIYA.—Don't take it for granted.

*Sri MULKA GOVINDA REDDY.— The Government of Mysore need not be afraid that I am going to say that we are not interested in raising this loan. I am as much interested as the Mysore Government in raising a loan for the nation building activities of Mysore State, but the policy while raising a loan should necessarily be discussed; but in view of the fact that this is going to be very important and in view of the fact that the date on which the loan is to be closed is nearing, it may not be advisable for me to make a statement regarding the policy. I wish that an opportunity is created before the close of this session to discuss the policy of raising loans and other things. In regard to the loan floated by the Government of Madras, they did take a lot of interest in enthusing the people to invest. I do not want Birlas and Tatas to invest in the national loan; it is the people of States and India that should invest in the national scheme and they must be enthused to invest in these national loans. For that, the Government of Mysore should have taken active interest in mobilising the people that they should invest in the national loan of this sort. In foreign countries we have been reading in papers that national loans are oversubscribed and within a short time and the subscribers are the masses of people-not a few rich people. This is a national loan in which the masses of Mysore should have been enthused to invest their small savings. It is not necessary that the people should invest in lakhs and thousands of rupees in such national loans. In this respect I may state that the Government of Mysore have failed to enthuse the people of Mysore and they have not taken proper steps to advocate the necessity for the people of Mysore to invest their moneys in this national loan. As the Leader of the Opposition, Sri Mohamed Imam, has pointed out, these loans that are going to be raised should be earmarked for productive purposes. Otherwise it will not be possible for us to repay the loans and also it will not be possible for us to build up the nation so that the people of Mysore could live happily. Though I wanted to go into details, I do not want to make further comments at this juncture. So I will close.

*Sri T. MARIAPPA (Mysore City North).—In supporting the motion for the consideration of the Appropriation Bill, I would like to make a few observations which would go a long way in creating enthusiasm in the minds of the people in subscribing to the loan recently floated. I share with other Members of this House the anxiety that all of us have felt in the loan being not oversubscribed within a few hours of the loan being opened. The experience of Mysore used to be very happy on all the previous occasions when such loans were floated. But this time unfortunately the response has not been very encouraging, firstly, perhaps for the reason that other Provincial Governments have also floated similar loans. It is perhaps known to many Members of this House that out of the loan we used to float, a major portion used to be subscribed by the people of Madras as well as of Bombay. In the present situation it is but natural that they should subscribe first to the loans floated by their own Governments and then think of subscribing to the Mysore loan. But I may recall on this occasion a few remarks I made at the time of the Budget session. Then I made a very fervent appeal to the Government to present a balanced budget to this House. In any year in which a Government proposes to float a loan it is only advisable, it is but caution, it is but prudence that the Government should present a surplus budget with a view to create confidence in the mind of the investing public. It is normal prudence to expect people to invest in any Government or in any Bank whose credit is unshakable. I am not on this occasion suggesting that the credit of Government is not any

higher. I made a fervent appeal on that occasion, because any lay man, a man who is not initiated into the details of the budget making would naturally mistake that the Mysore budget is a deficit one, that the finances of Mysore are not sound and that it may not attract the investing public. The facts are otherwise. On that occasion I showed that the expenditure of Mysore is inflated. It has been more than exemplified by the Government that during 52-53 even though there was a deficit of one crore of rupees, the final accounts have disclosed a surplus of Rs. 60 lakhs. It is on that basis that I made an appeal to the Government to scratch the unnecessary expenditure. It would be prudence to express a surplus bndget. Even now I would tell the public through this House that the budget of Mysore is not a deficit one. Perhaps with a view to convince the public of the desire of the Government—it may be a very anxious desire or it may be with a view to meet the requirements of several sections of the public—anyway the items provided for in the budget will, I am sure, not all be spent. Having regard to the requirements of the State, having regard to the amount of expenditure we have been incurring during the last four or five years, I respectfully submit to this House that the budget expenditure for 53-54 will certainly show a considerable dimunition. It is likely to leave a surplus, Therefore, the investing public need not be under any apprehension as to the credit-worthiness of the finances of the State. It is there that we could have certainly caught the imagination of the investing public. I may recall on this occasion how cleverly the Chief Minister of a neighbouring State managed to get the loan subscribed. It was reported in the press that within four hours of the announcement of the loan in West Bengal, the loan was oversubscribed. I request the Government to take similar steps here as well. If a loan is not fully subscribed, it is a thing which I cannot even comprehend; it almost staggers me;it would certainly deal a very severe blow to the credit of Mysore. Therefore it is time now to make all efforts to inspire confidence in the public, to make it known that the necessary retrenchments would be effected, that at the end of the year a balanced budget would be presented to the House and nobody need have any doubt as to the soundness of the finances of Mysore.

With these few remarks, I make a sincere and fervent appeal not only to the people of Mysore but also to the wealthy citizens of both Bombay and Madras to subscribe very liberally to the loan of Mysore.

Sri K. HANUMANTHAIYA.—I would take up the apprehensions expressed by my honourable friend Sri T. Mariappa first because I have to pay some attention to what he says. I am thankful to the Members who have spoken—Sri Mohamed Imam, Sri Rama Rao and Sri Mulka Govinda Reddy. All of them were anxious that this loan should succeed and in this atmosphere Sri Mariappa has said that he gave some advice and that advice was not implemented and it seems as though we are suffering on that account. That at any rate is the impression I gather. I never expected an argument of that kind. I would appeal to him to take what is called a comprehensive view. I am sorry I am put to the necessity of replying because this is an occasion wherein I have to rise above party politics and safeguard the interests of the country. As you are aware, or as the House is aware, Sri Mariappa has not taken a comprehensive view; he has taken a one-sided view.

Sri T. MARIAPPA.—I have taken a comprehensive view.

Sri K. HANUMANTHAIYA.—I will show you presently that he has presented one side of the picture and he is very fond of his own opinion being very correct. As you are aware and as the House is aware, when the Finance Minister of the Government of India, Dr. Deshmukh presented his budget this year he categorically stated that deficit financing would help the Five-Year Plan. Deficit financing was even recommended by him. Deficit financing was followed not only by the Government of India but also by other State

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Governments in India, and in spite of this deficit finance policy of the Government of India, their loan of Rs. 25 crores was subscribed. Although the West Bengal budget showed a far bigger deficit than the Mysore budget, their loan has been oversubscribed. That remark applies also to Madras. But to say that Sri Mariappa gave a certain piece of advice and that advice we did not follow, is neither correct nor does justice to the occasion. I do not want to say anything more.

Why there has been a surplus budget as he admitted, we shall discuss on another occasion. The policy advocated by this House, whether a particular member belongs to the Opposition or to the Treasury Benches, that policy has been very sincerely implemented by this Government; that is the policy of retrenchment, the policy of cutting down expenditure wherever possible, the policy of launching on schemes which could be postponed or which could be economised. On account of some of these measures that the Government took and the strict financial control that it exercised, we are in the happy position of showing a surplus in accounts. I made this plain not after listening to Sri Mariappa's advice, but in the Press Conference itself. Before we floated the loan I disclosed this fact through the Press to the public so that a confidence might be created in the minds of the investors that they need not fear any deficit financing in the Mysore State.

Sir, it is true that instead of a crore of rupees deficit that was anticipated, the 1952-53 accounts disclose a surplus of about Rs. 60 lakhs. That is a piece of information, Sir, which I am sure, the House is welcoming and the country is welcoming and the investor would make use of for the purpose of investing.

Sri L. SIDDAPPA.—That means that a deficit of one crore and sixty lakhs of rupees has been covered—a deficit of one crore and a surplus of sixty lakhs.

Sri K. HANUMANTHAIYA.—As I have said, there will be an occasion for us to discuss as to why this deficit has been turned into a surplus, and we shall examine each item which has brought this state of affairs, and we can pass our remarks on that occasion. That occasion, I am sure, will come for the Members to express themselves upon.

Sir, Sri Rama Rao made a suggestion that it was not quite clear whether the Mysore Government loans have been included in the approved list for insurance companies to invest. That point was also made clear some time back, but I am perfectly willing to make the position clear. I am thankful to my friend Sri Rama Rao, for giving me an occasion so that the people may know the position correctly. As far back as 1951, the Government of India have written as follows: "With reference to your letter dated 11th May 1951, on the above subject, I have to say that the Government of India loans and the Government of Mysore loans are approved securities within the meaning of the section, etc., of the Insurance Act of 1938."

Sri M. V. RAMA RAO.—Was it in reference to any particular loan or in general, Sir?

Sri K. HANUMANTHAIYA.—Generally, they have said Government of India loans and Mysore Government loans.

Sri M. V. RAMA RAO.—The insurance companies are in the wrong and that ought to be pointed out to the Government of India.

Sri K. HANUMANTHAIYA.—Some insurance companies know the correct position. Some insurance companies do not know what the state of affairs are. Now we have made it clear.

Sri A. BHEEMAPPA NAIK (Molakalmuru).—Would you have this fact now advertised, Sir, that our loan comes under the approved securities?

Sri K. HANUMANTHAIYA.—Yes. There is no reason, as Sri Rama Rao put it, for any alarm. The loan is being subscribed.

Another consideration I want to place before this House, particularly in order to allay the apprehension of

Sri Mariappa is, whereas the Madras Government's and other Governments' loans are convertible loans, ours is not a convertible loan. We have not adopted that course advisedly. We want ready cash so that we may implement our plans—what those plans are I will presently state. If we had allowed the conversion of the old loans for the purpose of investment in this loan, it would merely be a book adjustment; we would have no cash. What we are after is that the entire money must be subscribed in cash so that money can be used for the purposes of development as the loan is called. The Madras Government, may be, had sufficient money, and the Travancore-Cochin Government also; they have allowed the previous loans to be converted and invested in this new loan. That is one of the reasons why they have been over-subscribed.

Sir, my friend, the Leader of the Opposition, was very particular to know how this amount is going to be spent. There is no difference whatever between his point of view and the point of view of the Government. This money is going to be spent entirely on capital works. It has been specifically stated in the section called the 'Objects' in the notification we have issued and it is public property. It is in the hands of every investor. The proceeds of the loan will be mainly used only for capital expenditure, on electricity schemes, irrigation works and industrial undertakings which are included in the Five-Year Plan. Therefore, the House may be rest assured that this money is not going to be used for any idealogical or ordinary expenditure. This money is going to be used, as I have said, for these projects and industries which are included in Five-Year Plan. In fact these loans are being floated expressly for the purpose of implementing the Five-Year Plan.

Sri J. MOHAMED IMAM.—On a point of information, Sir. Lakkavalli, Honnemaradu and Kapini projects are not included in the Fve-Year Plan. How can this amount be diverted for those projects ?

Sri K. HANUMANTHAIYA.—I have repeatedly answered this question in the House and Sri Imam is going on repeating the same question. These three projects have not been included in the first Five Year Plan. In the first Five-Year Plan are the Nugu and Tunga projects, the Lakkavalli project which is going at a slow pace, and certain other industrial undertakings. I once said on the floor of this House that these other plans—Honnemaradu and Kabini, and expeditious completion of Lakkavalli project, have to be taken in the second Five Year Plan. That is the view that I have expressed on the floor of the House. It is impossible now to make the Government of India to include these plans in the first Five-Year Plan itself. Sri Imam, being an administrator himself, must realise that we cannot include any thing at any time without reference to the money on hand. The first Five-Year Plan demands an expenditure of two thousand crores of rupees and it is now almost difficult to bring in more money for the purpose. Such being the case, if other plans are included in the Five-Year Plan, the expenditure would mount up to an astronomical figure. It would not be reasonable on our part to press the Government of India to include these plans without any reference to the expenditure allotted or the loans available or the conditions of the money market. Now, it would not be reasonable, here and now, to urge upon the Government of India to include these three plans, as my friend advocated, in the first Five Year Plan. There are many other schemes, electricity schemes, irrigation schemes and industrial undertakings, which will absorb these three crores of rupees.

Sri Imam also said that instead of three crores of rupees, we should have floated a loan for five crores of rupees. I hope we will do so in times to come. In the meanwhile, let us all co-operate in making this three crores loan a success. In fact, if one looks into the Budget, provision is made for only two crores of rupees loan. Knowing the requirement of the Mysore State as I do, I made bold to increase that amount by one crore. The Government of India and the Reserve Bank

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were good enough to agree to the proposition and they ultimately agreed for three crores of rupees loan, though in the Budget we have provided for only 2 crores.

Sir, though my friend Sri Mulka Govinda Reddy did not intend to harm the cause of the loan, many a time words are said unintentionally which have the same effect. He said—I do not want Birlas and Dalmias to invest in this loan.

Sri MULKA GOVINDA REDDY.—I stand by that.

Sri K. HANUMANTHAIYA.—While he stands by what he said, I want that he should stand by reason also. All the time, he has been one of those who has been pointing out that we are affected by distress conditions; people are very poor; people cannot pay increased rate of taxation whether for electricity or for irrigation pumps or for education cess. Even, he went to the extent of saying the other day that the extra taxes on buses and cars should not be imposed, because people are poor. So, in one breath he argues that poverty is rampant in Mysore State and in another breath he expresses that there is so much surplus money in the country that they can invest in this three crores of rupees loan. If Mysore State had surplus money to the extent of three crores of rupees, then, all these distress conditions would not have been there. This paucity for money would not have been there. Therefore, he will see how inconsistent his argument is when he says that we must collect money from the masses. As was rightly pointed out by an Hon'ble Member, even when we floated the previous loans, statistics showed that the people of Mysore subscribed to the extent of only ten to fifteen per cent and the bulk of the contribution came from big cities like Calcutta, Bombay and Madras. Even today, I am happy to tell the House that the percentage is maintained. It is only the bigger part of the loan that is usually subscribed by outsiders.

Sri MULKA GOVINDA REDDY.—On a point of clarification, Sir. I never said that people living outside Mysore should not subscribe. What I said was that masses outside and inside Mysore should subscribe.

Sri A. BHEEMAPPA NAIK.—Sir, what he meant was, not merely Birlas and Dalmias but that masses also should subscribe.

Sri K. HANUMANTHAIYA.—I am glad that Hon'ble Sri Bheemappa Naik has helped Sri Reddy.

Sri MULKA GOVINDA REDDY.—I did not say so, Sir.

2-30 P.M.

Sri K. HANUMANTHAIYA.—Sir, my friend Sri Govinda Reddy by faith is a socialist. I am glad he is. In fact, may be, we do not differ much so far as the economic approach to the problem is concerned. I assure him that. But I would like to quote one argument of Bernard Shaw who is almost the father of socialism. He says that it is not the riches that should be considered as crime but it is the poverty that should be considered as crime. Therefore, poverty is crime and it should be eliminated. No socialist worth the name should make riches a vice and poverty a virtue. So, Sir, it may be, by their intelligence, by their industry and by their acumen, certain people have made themselves rich. It is not a sin itself. It is for the State to pass laws to see that some people should not earn much and other people should not suffer much. It is the State's duty to pass laws so that equal distribution for wealth takes place throughout the country. You cannot blame particular individuals who, taking advantage of existing laws, amass wealth. It is no sin; it is not even illegal. Even Sri Govinda Reddy in his personal capacity would not agree to the proposition. That is all I can say on the subject. Therefore, Sir, it would be wrong on our part, on the part of this House to discourage big businessmen like Birlas in investing in Mysore loans. On the other hand, their co-operation ought to be welcomed. They should be thanked if they invest in our loans. That is the attitude of the Mysore Government. I am certain that is the

attitude of this House as well. It is therefore that I am trying to do my very best in order to invite investments from rich people, from rich institutions and that is the only way to safeguard the interest of the State for the present.

Sir, some remarks were passed that the Mysore Government have not taken adequate steps in order to publicise this loan. I may state for the information of the House that we have done everything that used to be done under the circumstances. There is a certain amount of exaggeration when one Member said : " Look at Sri Rajagopalachary ; he toured every taluk in order to make this loan a success." I may state for the information of this House that Sri Rajagopalachari did not tour every taluk for this purpose.

Sri MULKA GOVINDA REDDY.—Nobody said so.

Sri K. HANUMANTHAIYA.—It does not matter. I do not dispute. Sir, whatever other Chief Ministers and other Governments have done in this behalf, this Government have also done it and it is not necessary for me now to give all the details regarding our efforts in making this loan a success. I have been in touch with the Chief Ministers of various States and businessmen and I have every confidence that our loan will be fully subscribed. The other loans have been over-subscribed and investors are now turning towards the Mysore loan. That is but natural. They invested, to begin with, in their own loans and when those loans were over-subscribed, they naturally turn to other loans. This loan is equally attractive as the loans of other States. Therefore, there is not much to choose between one loan and the other except ocal patriotism. This local patriotism having been satisfied, I am certain that investors would continue to invest in Mysore Loan and by the time we reach the closing date, I hope we will be in a very happy position.

Sri M. V. RAMA RAO.—Is it a fact that because the Reserve Bank of India is acting as sole agent for the receipt of this loan, the employment of brokers or under-writers for this loan has been preeluded and has that in any measure affected the response to the loan ?

Sri K. HANUMANTHAIYA.—I was about to touch upon that point because Sri Rama Rao referred to it in his earlier speech.

Sri MULKA GOVINDA REDDY.—We do not want brokers for this loan.

Sri K. HANUMANTHAIYA.—Sri Mohamed Imam has always been very critical of the Government of India. After the Constitution, Sir, the financial position, the finacial relationship between State and State and between the Government of India and States has changed. If you look at it from one point of view, it is a very beneficial change ; if you look at it from another point of view, that is the point of view of Sri Imam, it may not be so advantageous and it is a matter of opinion. Sir, I will present the other view. Now, any State, if it has to float a loan, has to obtain not only the permission of the Government of India but also the consent of the Reserve Bank. These are the two institutions who lay down the general policies. Not only the quantum of the loan but the rate of interest and other details are worked by the Government of India and the Reserve Bank. Sir, the consenting authority consequently takes upon itself the burden, the responsibility of making this loan also a success. It is not one way traffic. If a man assumes power and responsibility, it becomes his duty also to fulfil the conditions expected under the circumstances. It is not merely Mysore Government's reputation that is at stake. The Government of India and the Reserve Bank who have laid down the law in this behalf are equally concerned and I am sure they will not allow the reputation of Mysore Government to suffer because that involves the reputation of the Government of India and the Reserve Bank also. Therefore, from this point of view, there is nothing for us to get worried. A big institution like the Reserve Bank is at the back of this loan ; a big Government like the Government of India is at the back

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of this loan. It is not merely that Mysore Government. Mysore Government is one of the partners in this venture. The major partners are the Reserve Bank and the Government of India and knowing their policies as I do, they won't let down Mysore State; for this loan has been floated expressly for the purpose of implementing the Five-Year Plan. Under the Five-Year Plan, we are expected to float a loan of Rs. 9 crores. This is the first attempt that we are making. Previously we did not float any loan under the account. We have floated a loan of Rs. 3 crores and we are yet to float a loan of Rs. 6 crores. The Five-Year Plan of the Planning Commission is one of the cardinal programmes of the Government of India which has to be implemented all over India. Our Prime Minister, as all of you are aware, is making repeated appeals to the people to make this Five-Year Plan a success. Therefore, in pursuance of this Five-Year Plan we are floating this loan. Such being the case, it becomes the equal responsibility and the duty of the Government of India and its authority to make this loan a success. With the Reserve Bank we have come to a certain understanding. Their branches are operating and they are also trying to help us. When they lay down conditions on us regarding interest, payment of debt, quantum of loan and other factors, it becomes equally their duty to see that the loans that have been floated under their advice, and I must say under their auspices are fully subscribed. Therefore, from this point of view, the new arrangement that we have come to all over India not merely in Mysore, is beneficial ultimately to the State concerned. If we are alone, Sir, a small State, we may be in a position to get the loan or we may not be in a position to get the loan. But when we have at our back big institutions like the Reserve Bank and the Government of India, it is not a matter for dissatisfaction. On the other hand, it is a matter which brings us confidence, which brings us what is called a certain amount of certainty in our financial dealings. Sir, Sri Rama Rao very wisely referred to inter-State co-operation and I am in contact, as I have already said, with the chief Ministers of Bombay, Madras and Bengal, for it is these three cities that were subscribing to our loans previously to a very great extent. All the Chief Ministers have been good enough to promise to do their very best in the matter. I am particularly grateful to Sri C. Rajagopalachari for the kindly interest he has taken. Whatever other people may say, most of us have got great respect for his personality, have faith in his leadership and wisdom. The very statement he has issued is proof of how much of a friend he is to Mysore State. On behalf of the House, if none of my friends dissent, I would like to convey our grateful thanks to him for coming to our aid.

Sir, coming to the Appropriation Bill itself, now, the items contained therein have already been discussed. The reasons for non-inclusion of certain items in the original Estimate have been given. If I repeat, it is like repeating what is already in print and what has already been stated. Therefore, I would not like to take the time of the House in repeating arguments. One particular reference was made to expenditure on 'Vidhana Sowdha' building, for the Houses of Legislature. I would like to state that we are now paying nearly Rs. 30,000 per month, by way of rent in Bangalore City alone for the purpose of housing our various offices. Secondly, Sir, the Insurance Department is so rapidly expanding that its present premises are proving extremely inadequate. They were contemplating to build a new office. The third argument is, if any one of you walk into the Secretariat rooms, you can see for yourself how over-crowded it is. This condition would not be tolerated in a factory. After all, our Secretariat officials have not developed the psychology of a Labour Union. They have been very considerate and they have been putting up with all sorts of physical disabilities. This Secretariat

has to be furnished with extra accommodation. Some of these considerations have compelled the Government to build a new building. This is not the first time that I have brought this matter to the notice of this House. In the very first budget speech I made, I mentioned this and I understood that the House gave general consent to the proposition. Therefore, from no point of view is the building of the Houses of Legislature a costly venture ; it is an absolute necessity.

Lastly, I am thankful to the Leader of the Opposition and other speakers who extended co-operation to make this loan a success. Let us all pull together when common interest is concerned. This is admittedly a common interest where no party feeling or individual animosity has any place whatever. I am sure the speeches made reveal that magnanimity and that noble approach to the problem. It only remains for all of us to bestir ourselves to contribute to the loan individually ourselves and also to make people contribute to the loan. That is theway that will do good to the country and bring good name to ourselves.

Mr. SPEAKER.—You should thank Sri Mulka Govinda Reddy if he secures Rs. 5 crores from the masses.

Sri K. HANUMANTHAIYA.—In fact, I would be more grateful to him than he believes if he does so because then the problem of distress would not be there, the problem of poverty would not be there.

Mr. SPEAKER.—I find from the brief communique issued from the Finance Department on 11-7-53 that the excess of assets over liabilities is nearly Rs. 12 crores.

Sri K. HANUMANTHAIYA.—All that I have said in my press conference and communique. I am extremely thankful to the Speaker that he has given that information which is already in your hands and apart from Rs. 12 crores of excess assets, the Mysore State is a very progressive State and it has also expanded. Therefore, whatever security or confidence that is needed for this loan to be subscribed to, it is there in ample measure.

Sri R. ANANTARAMAN (Chamarajpet).—Sri M. V. Rama Rao asked about the return of the loan.

Sri K. HANUMANTHAIYA.—I answered it.

Mr. SPEAKER.—The question is:

"That the Mysore Appropriation (No. 3) Bill, 1953, be taken into consideration."

The motion was adopted.

Mr. SPEAKER.—The Bill will now be taken up, clause by clause. Clauses 2 and 3.

The question is :

"That Clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Mr. SPEAKER.—Schedule. The question is :

"That the Schedule stand part of the Bill."

The motion was adopted.

The Schedule was added to the Bill.

Mr. SPEAKER.—Clause 1. The question is :

"That Clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill.

Mr. SPEAKER.—Title and Preamble. The question is :

"That the Title and the Preamble stand part of the Bill."

The motion was adopted.

The Title and the Preamble were added to the Bill.

Motion to pass.

Sri K. HANUMANTHAIYA.—I move :

"That the Mysore Appropriation (No. 3) Bill, 1953, be passed."

Mr. SPEAKER.—The question is :

"That the Mysore Appropriation (No. 3) Bill, 1953, be passed."

The motion was adopted.

REPORT OF THE COMMITTEE OF PRIVILEGES.

Sri T. MARIAPPA (Mysore City North).—I beg to present the report of the Committee of Privileges. The Committee has come to the conclusion that there was no breach of privilege.

Sri D. DEVARAJ URS (Hunsur).—In this connection, I would request the Speaker to have copies of the Report of the Privileges Committee of the Legislative Council distributed to the members of this House in view of the importance of the whole thing.

Mr. SPEAKER.—Though the point involved is different, the Office will attend to it. Copies, if possible, will be distributed.

We shall now rise for lunch and meet at 3-20 P.M.

The House adjourned for Lunch at Fifty Minutes past Two of the Clock and reassembled at Twenty-five Minutes past Three of the Clock.

[Mr. SPEAKER in the Chair.]

MYSORE MUNICIPAL LAWS (AMENDMENT) BILL, 1953.

Motion to consider.

Sri T. CHANNIAH (Minister for Local Self-Government and Public Health).—I beg to move :

> "That the Mysore Municipal Laws (Amendment) Bill, 1953, as passed by the Legislative Council, be taken into consideration."

As this House is aware, there is at present no provision in the City of Bangalore Municipal Corporation Act, the Mysore City Municipalities Act and the Mysore Town Municipalities Act under which the private properties of His Highness the Maharaja can be taxed. It is therefore necessary.....

Mr. SPEAKER.—I now remember that on the last day of the Budget Session, the Bill was fully discussed and when a Member was debating on it, it was decided to postpone the consideration of the Bill. So, any Member may take the opportunity to speak if he so desires. We can have discussion on the Bill. The Hon'ble Minister need not make any introductory speech again. The debate will take place.

Sri B. NARAYANASWAMY (Mysore City—South).—Mr. Speaker, Sir, on the last occasion when the Bill was being debated on, a pertinent point was raised as to whether the Palace ni Mysore City or the Palace in Bangalore City is the private property of His Highness the Maharaja or the public property. That is the issue that was raised. At this point, Government were unable to place before us any relevant record or information. As a matter of fact, I think my Hon'ble friend, Sri K. Puttaswamy, requested the Hon'ble Minister to kindly furnish us the inventory list that was prepared, wherein also it was noted as to which are the private properties of His Highness the Maharaja and which are the public properties. At that stage, the subject was deferred and I think the Honb'le Minister by this time will be in a position to let us know whether the Palace is the private property of His Highness the Rajpramukh or the public property, and, if it is a private property, the matter will be definite. Unless these particulars are furnished and the inventory is also placed before the House, I think it is not desirable to have a debate on this Bill.

3-30 P.M.

Sri K. HANUMANTHAIYA (Chief Minister).—If there are any other Members who want clarification on the subject, they may once for all say what they have got to say.

Sri M. V. RAMA RAO (Tumkur).—Sir, the position that arose on the occasion when this Bill was last placed before this House was, as well as I can recollect, whether the Palace in Mysore and the Palace in Bangalore and the buildings and lands appurtenant thereto formed the private or personal property of His Highness the Rajpramukh or whether these buildings were State property. That was the question which was raised on the last occasion when this Bill was debated. The